

4 June 2021

ASX Limited
20 Bridge Street
Sydney NSW 2000

By: e-lodgement

Attention: Company Announcements Office

Profit Guidance

The Board of CVC Limited (ASX: CVC) would like to provide guidance that the net profit after tax to shareholders is forecast to be in the range of \$21 – \$23m for the year ended 30 June 2021 (2020: loss of \$2.1m). This result is subject to the finalisation of the annual audit, market movements of investments and final adjustments.

The forecast profit includes a significant proportion of unrealised gains, approximately 50%, arising from the revaluation of long-term investments held by CVC. Careful consideration will be given to the optimization and realisation of these holdings.

Business Update

The business has continued to rationalise its investment portfolio and as a result the business is now more significantly weighted to property focused investments.

Property Investment – Equity

CVC has several equity investments in property projects across multiple segments and geographies which are anticipated to deliver shareholder value over time.

Some areas of particular focus and progression in the property portfolio during the current financial period include:

- The rezoning of the property located in East Bentleigh, Victoria
- Significant progress in the rezoning of Donnybrook, Victoria and Liverpool, New South Wales
- The continued commercialisation of the Caboolture business and retail project; and
- Construction of the Elara Village Neighbourhood Centre, Marsden Park, New South Wales.

More detailed commentary on the status of significant property investments is provided in latter parts of this release.

Property Investment – Debt

Investment into secured property backed lending remains a core part of CVC. This strategy has delivered consistent income to the business for a number of years. It is anticipated that this will remain a key part of the business moving forward.

Equity Investment Portfolio

CVC has continued to reduce the number of individual equity investment holdings, which has provided a year-to-date pre-tax contribution of approximately \$12.5m for the period. The performance has primarily been attributed to the increase in value of Cyclopharm Limited (ASX: CYC) which has individually contributed \$8.8m, while TasFoods Limited (ASX: TFL) has also contributed \$1.7m.

Funds Management

Although the funds management segment delivered a contribution of \$10.2m for 1H 2021, CVC Emerging Companies Fund has had a reversal of fortune during the second half of the year. It is now anticipated that the CVC Emerging Companies Fund will provide a full year pre-tax contribution of approximately \$0.8m.

During the year CVC transferred its ownership of the property manager, Eildon Funds Management Limited, into ASX listed Eildon Capital Group (ASX: EDC).

Capital Management

CVC remains committed to paying dividends which are in line with the profitability of the business. The Board will consider the level of any final dividend following the completion of year end.

The business has active buyback programs in place for both the convertible notes and shares of CVC. These programs are continually evaluated and activity in each is determined with a view to optimising shareholder value.

Significant Property Equity Investments Update**Bentleigh East, Victoria**

CVC is a 50% equity participant in a rezoning project located at 246 East Boundary Road, East Bentleigh, Victoria. The project comprises a 4.315ha parcel of land which was zoned for industrial use at the time of purchase in April 2015. On 31 March 2021 the property was rezoned to allow for commercial, retail, residential, and a mix of other uses.

The property has now been revalued by an independent valuer for mortgage purposes. The valuation of \$67.3m reflects the positive effect of the change in use rights pertaining to the rezoning. This revaluation will contribute approximately \$13.0m in pre-tax profit for FY 2021.

Donnybrook, Victoria

CVC holds a 49% interest in the properties at 960-1030 Donnybrook Road, Donnybrook, Victoria, which have been progressing through a rezoning. In December 2020 a Planning Panel process for the Shenstone Park Precinct Structure Plan (PSP) was completed. In February 2021 the Planning Panel report from that process was completed and released.

The recommendations of that report are now with the Victorian Planning Authority who are in the process of finalising the PSP which requires final approval from the Minister for Planning. The precinct is designated as a 'fast track' project, with formal gazettal of the rezoning expected to occur in H1 FY2022.

As previously announced, the residential land components within the landholdings have been pre sold to third parties subject to the rezoning being completed. It is anticipated that cashflows from

these contracts will also start to flow in H1 FY2022. The residual non-residential land areas that do not form part of the contracted lands will either be developed or sold over time.

Marsden Park North, New South Wales

The property located at Lot 11 Richards Road, Riverstone, NSW in which CVC holds a 66% interest continues to progress through a rezoning. The property is located in the North West Growth Centre (NWGC) of Sydney and is currently in a Precinct Acceleration Protocol planning process which commenced in 2014.

Within NSW Government there is a sharp focus on the Hawkesbury River Floodplain and the impact of flood events within that catchment area. Specifically, work is being undertaken to determine how land within the NWGC should be developed. The studies which will inform the NSW Government as to this issue are anticipated to be completed by the end of Q1 FY2022.

Subject to the completion of the studies and their findings, it is anticipated that a rezoning of the property could be achieved in the following 12-18 months.

Liverpool, New South Wales

CVC holds a 66% interest in a call option to purchase a property located at 1 Heathcote Road, Moorebank, NSW, totaling 16.7ha. In April 2020, a planning proposal was submitted to Liverpool City Council to rezone the site to permit the development into a major residential and mixed-use project, with a Floor Space Ratio of 4.2:1.

In November 2020 the Liverpool City Council unanimously supported the project to enter into a Gateway Approval process, with the proposal currently with the Department of Planning and the New South Wales Government to formalise the assessment process. It is anticipated that the outcome will be known by the end of Q1 FY2022.

The call option provides for the purchase of the site for \$160m on a staged settlement basis. The call option expires in 2023, and if exercised requires a deposit payment of \$32m with the balance payable no earlier than 2025.

Caboolture, Queensland

CVC holds a 60% interest in the Big Fish Retail and Commercial Centre in Caboolture, Queensland. This 15ha project has progressed significantly during the period, with development approval for a 13,500sqm Bunnings Warehouse Facility achieved which is expected to see construction commence in Q1 FY2022. The Bunnings building has been sold on a fund-through arrangement reflecting a sale price and capitalisation rate of \$28.1m and 4.75% respectively.

Pre-leasing of the 6,000sqm Neighbourhood Shopping Centre is progressing strongly and construction is expected to commence during Q2 FY2022 with completion forecast during H2 FY2023. On completion the Neighbourhood Centre is forecast to have an end value of in excess of \$55m.

Elara Village Neighbourhood Centre, Marsden Park, New South Wales

CVC is a 60% equity partner in the development of the 8,137sqm Elara Neighbourhood Centre, which forms part of the Stockland 'Elara' masterplanned community in Marsden Park. The 2.3ha site was purchased in 2019 with agreements for lease in place with Coles, Goodstart learning and a medical centre operator. CVC further leased the property and appointed a contractor to construct the building before selling the property on a fund-through basis for \$53m. Profits from the sale and development of this project have started to be recognised during the current year with the balance during FY 2022 when the centre is forecast to be completed.

Mark Avery
Managing Director